

**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2010**  
(IN THOUSANDS)

	<b>Primary Government</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Units</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 922,075	\$ 913,074	\$ 1,835,149	\$ 207,437
Investments	551	-	551	42,944
Receivables, net	196,948	174,859	371,807	128,950
Due from primary government	-	-	-	1,103
Internal balances	(23,147)	23,147	-	-
Inventories	2,618	24,764	27,382	8,234
Prepayments and other assets	10,679	8,057	18,736	1,969
Capital assets				
Non-depreciable assets	1,872,919	2,469,701	4,342,620	55,696
Depreciable assets, net of depreciation	856,892	2,748,704	3,605,596	767,182
Deferred charges	8,177	29,707	37,884	-
Deposits with other governments	-	-	-	600
Regulatory assets - environmental remediation	-	47,079	47,079	-
Other utility assets	-	22,703	22,703	-
Other assets	-	815	815	12,261
<b>TOTAL ASSETS</b>	<b>3,847,712</b>	<b>6,462,610</b>	<b>10,310,322</b>	<b>1,226,376</b>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	94,767	100,851	195,618	51,389
Due to component unit	1,103	-	1,103	-
Accrued liabilities	41,267	102,435	143,702	34,552
Notes payable	84,920	100,000	184,920	-
Unearned revenues	37,030	14,251	51,281	6,227
Rate stabilization	-	51,000	51,000	-
Noncurrent liabilities				
Due within one year	170,646	101,527	272,173	5,088
Due in more than one year	1,256,324	3,738,938	4,995,262	56,843
<b>TOTAL LIABILITIES</b>	<b>1,686,057</b>	<b>4,209,002</b>	<b>5,895,059</b>	<b>154,099</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	1,922,455	1,577,670	3,500,125	781,983
Restricted for:				
Capital projects	127,077	10,068	137,145	-
Debt service	73,346	215,599	288,945	-
General government	10,854	-	10,854	-
Law, safety and justice	79,484	-	79,484	-
Physical environment	40,331	-	40,331	-
Transportation	26,543	-	26,543	-
Economic environment	21,444	-	21,444	-
Mental and physical health	75,784	-	75,784	-
Culture and recreation	12,909	-	12,909	-
Regulatory assets and environmental liabilities	-	30,302	30,302	-
Other purposes	-	3,388	3,388	-
Expendable	-	-	-	38,567
Nonexpendable	-	-	-	28,896
Unrestricted	(228,572)	416,581	188,009	222,831
<b>TOTAL NET ASSETS</b>	<b>\$ 2,161,655</b>	<b>\$ 2,253,608</b>	<b>\$ 4,415,263</b>	<b>\$ 1,072,277</b>

The notes to the financial statements are an integral part of this statement.

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
(IN THOUSANDS)

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>					
Governmental activities:					
General government	\$ 252,042	\$ (58,521)	\$ 54,187	\$ 4,863	\$ 112
Law, safety & justice	575,373	30,023	155,182	30,128	-
Physical environment	79,092	805	47,598	3,826	22,006
Transportation	106,019	2,367	14,631	18,017	88,710
Economic environment	101,614	1,539	27,836	29,459	1,626
Mental & physical health	450,758	5,920	266,270	106,618	-
Culture & recreation	53,427	644	6,799	195	76
Interest and other					
debt service costs	49,979	-	706	5,406	-
Total governmental activities	<u>1,668,304</u>	<u>(17,223)</u>	<u>573,209</u>	<u>198,512</u>	<u>112,530</u>
Business-type activities:					
Airport	21,996	300	20,766	-	5,300
Public Transportation	685,219	12,392	223,278	57,514	17,635
Solid Waste	99,204	2,006	109,949	-	650
Water Quality	288,417	2,456	305,738	-	2,431
Institutional Network	2,906	52	2,841	-	-
Radio Communications Services	4,650	17	4,002	-	204
Total business-type activities	<u>1,102,392</u>	<u>17,223</u>	<u>666,574</u>	<u>57,514</u>	<u>26,220</u>
Total primary government	<u>\$ 2,770,696</u>	<u>\$ -</u>	<u>\$ 1,239,783</u>	<u>\$ 256,026</u>	<u>\$ 138,750</u>
<b>Component units</b>	<u>\$ 745,587</u>		<u>\$ 700,354</u>	<u>\$ 18,320</u>	<u>\$ 6,635</u>
General revenues					
Property taxes					
Retail sales and use taxes					
Business and other taxes					
Penalties and interest - delinquent taxes					
Interest earnings					
Transfers					
Total general revenues and transfers					
Change in net assets					
Net assets - January 1, 2010 (Restated)					
Net assets - December 31, 2010					

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component
			Units Total
Governmental Activities	Business-type Activities	Total	
\$ (134,359)	\$	\$ (134,359)	\$
(420,086)		(420,086)	
(6,467)		(6,467)	
12,972		12,972	
(44,232)		(44,232)	
(83,790)		(83,790)	
(47,001)		(47,001)	
(43,867)		(43,867)	
(766,830)		(766,830)	
	3,770	3,770	
	(399,184)	(399,184)	
	9,389	9,389	
	17,296	17,296	
	(117)	(117)	
	(461)	(461)	
-	(369,307)	(369,307)	
(766,830)	(369,307)	(1,136,137)	
			(20,278)
593,135	22,174	615,309	-
180,914	375,943	556,857	-
32,432	-	32,432	-
21,328	-	21,328	-
10,295	8,810	19,105	5,570
2,423	(2,423)	-	-
840,527	404,504	1,245,031	5,570
73,697	35,197	108,894	(14,708)
2,087,958	2,218,411	4,306,369	1,086,985
\$ 2,161,655	\$ 2,253,608	\$ 4,415,263	\$ 1,072,277

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2010  
(IN THOUSANDS)**

	GENERAL FUND	PUBLIC HEALTH FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Cash and cash equivalents	\$ 55,685	\$ 71	\$ 596,691	\$ 652,447
Taxes receivable - delinquent	7,533	-	10,181	17,714
Accounts receivable, net	9,487	769	24,031	34,287
Other receivables, net	-	-	588	588
Interest receivable	6,829	-	-	6,829
Due from other funds	5,057	1,171	22,868	29,096
Interfund short-term loans receivable	4,731	-	-	4,731
Due from other governments, net	41,819	29,192	57,457	128,468
Inventory of supplies	-	1,223	-	1,223
Prepayments	-	-	8,070	8,070
Advances to other funds	3,800	-	407	4,207
<b>TOTAL ASSETS</b>	<b>\$ 134,941</b>	<b>\$ 32,426</b>	<b>\$ 720,293</b>	<b>\$ 887,660</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities</b>				
Accounts payable	\$ 8,426	\$ 14,965	\$ 45,838	\$ 69,229
Due to other funds	5,048	697	27,802	33,547
Interfund short-term loans payable	-	2,289	22,247	24,536
Due to other governments	898	-	6,616	7,514
Due to component unit	-	-	1,103	1,103
Interest payable	-	-	2,220	2,220
Wages payable	15,928	4,461	8,056	28,445
Taxes payable	95	-	60	155
Bonds payable	-	-	3,285	3,285
Deferred revenues	14,566	1,799	41,648	58,013
Notes and contracts payable	-	-	84,920	84,920
Custodial accounts	1,737	843	6,048	8,628
Advances from other funds	-	-	707	707
<b>Total liabilities</b>	<b>46,698</b>	<b>25,054</b>	<b>250,550</b>	<b>322,302</b>
<b>Fund balances</b>				
Reserved	16,632	1,558	93,233	111,423
Unreserved				
Designated, reported in				
General Fund	4,001			4,001
Special Revenue Funds			71,036	71,036
Undesignated, reported in				
General Fund	67,610			67,610
Public Health Fund		5,814		5,814
Special Revenue Funds			185,632	185,632
Debt Service Funds			42,694	42,694
Capital Projects Funds			77,148	77,148
<b>Total fund balances</b>	<b>88,243</b>	<b>7,372</b>	<b>469,743</b>	<b>565,358</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 134,941</b>	<b>\$ 32,426</b>	<b>\$ 720,293</b>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	2,341,183
Other long-term assets are not available to pay for current-period expenditures and are deferred in the funds.	29,769
Governmental activities internal service funds assets and liabilities are included in the governmental activities in the statement of net assets.	76,347
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(851,002)
<b>Net assets of governmental activities</b>	<b>\$ 2,161,655</b>

The notes to the financial statements are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
(IN THOUSANDS)

	<b>GENERAL FUND</b>	<b>PUBLIC HEALTH FUND</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>REVENUES</b>				
Taxes				
Property taxes	\$ 271,832	\$ -	\$ 321,266	\$ 593,098
Retail sales and use taxes	82,759	-	98,155	180,914
Business and other taxes	6,241	-	26,191	32,432
Penalties and interest - delinquent taxes	21,328	-	-	21,328
Licenses and permits	8,242	12,434	3,722	24,398
Intergovernmental revenues	108,719	137,295	314,980	560,994
Charges for services	109,034	11,269	109,279	229,582
Fines and forfeits	8,740	-	261	9,001
Interest earnings	2,067	-	5,505	7,572
Miscellaneous revenues	14,522	6,275	39,405	60,202
<b>TOTAL REVENUES</b>	<b>633,484</b>	<b>167,273</b>	<b>918,764</b>	<b>1,719,521</b>
<b>EXPENDITURES</b>				
Current				
General government	98,787	-	46,321	145,108
Law, safety and justice	456,769	-	99,702	556,471
Physical environment	4,742	-	102,555	107,297
Transportation	-	-	114,436	114,436
Economic environment	425	-	102,379	102,804
Mental and physical health	24,500	190,584	245,500	460,584
Culture and recreation	-	-	51,069	51,069
Debt Service				
Principal	-	-	62,901	62,901
Interest and other debt service costs	5	14	31,701	31,720
Refunding bond issuance costs	-	-	78	78
Payment to escrow agent	-	-	14,997	14,997
Capital outlay	819	234	114,346	115,399
<b>TOTAL EXPENDITURES</b>	<b>586,047</b>	<b>190,832</b>	<b>985,985</b>	<b>1,762,864</b>
Excess (deficiency) of revenues over (under) expenditures	47,437	(23,559)	(67,221)	(43,343)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	951	26,713	114,905	142,569
Transfers out	(42,865)	(96)	(96,812)	(139,773)
General government debt issued	-	-	82,465	82,465
Premium on bonds sold	-	-	6,521	6,521
Refunding bonds issued	-	-	41,250	41,250
Sale of capital assets	294	7	(693)	(392)
Payment to refunded bonds escrow agent	-	-	(45,561)	(45,561)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(41,620)</b>	<b>26,624</b>	<b>102,075</b>	<b>87,079</b>
Net changes in fund balances	5,817	3,065	34,854	43,736
Fund balances - January 1, 2010	82,426	4,307	434,889	521,622
Fund balances - December 31, 2010	<u>\$ 88,243</u>	<u>\$ 7,372</u>	<u>\$ 469,743</u>	<u>\$ 565,358</u>

The notes to the financial statements are an integral part of this statement.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(IN THOUSANDS)**

Amounts reported for governmental activities in the statement of activities  
are different because:

Net change in fund balances - total governmental funds	\$ 43,736
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	83,190
The net effect of various miscellaneous transactions involving capital assets (e.g., sales, trade-ins, and donations) is to increase net assets.	(33,253)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	1,672
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(7,963)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(7,297)
The net revenues and expenses of certain activities of internal service funds are reported with governmental activities.	(6,388)
Change in net assets of governmental activities	<u>\$ 73,697</u>

The notes to the financial statements are an integral part of this statement.

**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
(IN THOUSANDS)

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES				
Taxes				
Property taxes	\$ 270,366	\$ 270,366	\$ 271,832	\$ 1,466
Retail sales and use taxes	86,470	86,470	82,759	(3,711)
Business and other taxes	6,972	6,972	6,241	(731)
Penalties and interest - delinquent taxes	15,000	15,000	21,328	6,328
Licenses and permits	8,071	8,367	8,242	(125)
Intergovernmental revenues	101,092	101,321	108,719	7,398
Charges for services	107,136	107,240	109,034	1,794
Fines and forfeits	9,687	9,687	8,740	(947)
Interest earnings	3,062	3,062	2,115	(947)
Miscellaneous revenues	15,542	15,693	14,490	(1,203)
Sale of capital assets	100	100	294	194
Transfers in	23	23	951	928
TOTAL REVENUES	623,521	624,301	634,745	10,444
EXPENDITURES				
Current				
General government services	103,549	105,463	99,730	5,733
Law, safety and justice	457,258	461,206	458,588	2,618
Physical environment	2,451	4,951	4,742	209
Economic environment	608	607	425	182
Mental and physical health	24,725	24,663	24,563	100
Debt service				
Principal	34	34	-	34
Interest and other debt service costs	3	3	-	3
Capital outlay	1,048	1,815	1,268	547
Transfers out	42,855	48,832	43,276	5,556
TOTAL EXPENDITURES	632,531	647,574	632,592	14,982
Deficiency of revenues under expenditures (budgetary basis)	\$ (9,010)	\$ (23,273)	2,153	\$ 25,426
Adjustment from budgetary basis to GAAP basis			3,664 (a)	
Net change in fund balance			5,817	
Fund balance - January 1, 2010			82,426	
Fund balance - December 31, 2010			\$ 88,243	
(a) Elements of adjustment from budgetary basis to GAAP basis:				
Adjustments to revenues				
Recognition of unrealized loss on investments on a GAAP basis			\$ (48)	
Recognition of donation revenue on a GAAP basis			32	
Adjustments to expenditures				
Encumbrances, not included in GAAP basis expenditures			3,274	
Budgeted transfers out reported as a reduction of advance on a GAAP basis			594	
Non-budgeted transfers out			(183)	
Non-budgeted interest and other debt service costs			(5)	
Adjustment from budgetary basis to GAAP basis			\$ 3,664	

The notes to the financial statements are an integral part of this statement.

**PUBLIC HEALTH FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
(IN THOUSANDS)

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES				
Licenses and permits	\$ 12,771	\$ 12,894	\$ 12,434	\$ (460)
Intergovernmental revenues	130,458	146,489	137,295	(9,194)
Charges for services	15,222	13,228	11,269	(1,959)
Miscellaneous revenues	12,478	11,737	6,275	(5,462)
Transfers in	26,575	26,667	26,713	46
Sale of capital assets	-	-	7	7
Total Revenues	197,504	211,015	193,993	(17,022)
EXPENDITURES				
Current				
Mental and physical health	197,451	210,111	190,902	19,209
Debt service				
Interest and other debt service costs	40	40	14	26
Capital outlay	667	770	234	536
Transfers out	94	94	96	(2)
Total Expenditures	198,252	211,015	191,246	19,769
Excess (Deficiency) of revenues over (under) expenditures (budgetary basis)	\$ (748)	\$ -	2,747	\$ 2,747
Adjustment from budgetary basis to GAAP basis - encumbrances			318	
Net change in fund balance			3,065	
Fund balances - January 1, 2010			4,307	
Fund balance - December 31, 2010			\$ 7,372	

The notes to the financial statements are an integral part of this statement.





**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2010**  
(IN THOUSANDS)  
(PAGE 1 OF 2)

	BUSINESS-TYPE ACTIVITIES					
	PUBLIC TRANSPOR- TATION	WATER QUALITY	OTHER ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS	
ASSETS						
Current assets						
Cash and cash equivalents	\$ 342,809	\$ 24,018	\$ 74,335	\$ 441,162	\$ 267,361	
Restricted cash and cash equivalents	11,522	185,942	212	197,676	1,519	
Investments	-	-	-	-	551	
Accounts receivable	14,576	27,529	13,548	55,653	1,493	
Estimated uncollectible						
accounts receivable	(178)	-	(113)	(291)	(2)	
Due from other funds	1,333	5,845	2,358	9,536	4,189	
Interfund short-term loans receivable	116,118	-	-	116,118	-	
Property tax receivable-delinquent	347	-	-	347	-	
Due from other governments, net	106,797	9,550	1,944	118,291	571	
Inventory of supplies	17,462	5,758	1,542	24,762	1,397	
Prepayments and other assets	404	77	-	481	2,629	
Total current assets	611,190	258,719	93,826	963,735	279,708	
Noncurrent assets						
Restricted assets						
Cash and cash equivalents	34,640	191,036	39,253	264,929	10,055	
Due from other governments, net	22	354	-	376	414	
Assessments receivable	420	-	-	420	-	
Property tax receivable-delinquent	63	-	-	63	-	
Total restricted assets	35,145	191,390	39,253	265,788	10,469	
Capital assets						
Non-depreciable assets	246,867	2,143,881	78,953	2,469,701	20,395	
Depreciable assets, net of depreciation	855,549	1,715,105	176,080	2,746,734	370,199	
Total capital assets	1,102,416	3,858,986	255,033	5,216,435	390,594	
Other noncurrent						
Prepayments	7,293	-	-	7,293	-	
Notes receivable	815	-	-	815	-	
Regulatory assets - environmental remediation	-	47,079	-	47,079	-	
Other utility assets, net of accumulated depreciation	-	22,703	-	22,703	-	
Deferred charges	1,088	28,525	94	29,707	4,339	
Other assets	283	-	-	283	-	
Total other noncurrent	9,479	98,307	94	107,880	4,339	
Total noncurrent assets	1,147,040	4,148,683	294,380	5,590,103	405,402	
TOTAL ASSETS	1,758,230	4,407,402	388,206	6,553,838	685,110	

The notes to the financial statements are an integral part of this statement.

**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2010**  
(IN THOUSANDS)  
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	BUSINESS-TYPE ACTIVITIES				
	PUBLIC TRANSPOR- TATION	WATER QUALITY	OTHER ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
LIABILITIES					
Current liabilities					
Accounts payable	\$ 50,088	\$ 39,520	\$ 10,844	\$ 100,452	\$ 7,681
Retainage payable	1,537	18,106	190	19,833	120
Claims and judgments payable	-	-	-	-	2,237
Estimated claim settlements	-	-	-	-	99,784
Due to other funds	966	2,068	4,725	7,759	1,515
Interest payable	605	76,146	244	76,995	1,621
Interfund short-term loans payable	-	96,313	-	96,313	-
Wages payable	19,893	3,690	1,857	25,440	3,630
Compensated absences payable	8,224	393	135	8,752	662
Taxes payable	150	-	193	343	11
Unearned revenues	10,523	-	3,728	14,251	2,217
Environmental remediation - current portion	-	5,599	-	5,599	-
Revenue bonds payable	-	33,860	-	33,860	10,465
General obligation bonds payable	9,490	2,630	3,449	15,569	125
Capital leases payable	94	-	-	94	-
State revolving loan payable	-	7,896	-	7,896	-
Notes payable	-	100,000	-	100,000	-
Landfill closure and post-closure care liability	-	-	5,938	5,938	-
Other liabilities	-	-	265	265	1,481
Total current liabilities	101,570	386,221	31,568	519,359	131,549
Noncurrent liabilities					
Retainage payable	660	1,340	31	2,031	-
Rate stabilization	-	51,000	-	51,000	-
Compensated absences payable	43,596	10,681	5,703	59,980	10,862
Other postemployment benefits	4,628	673	567	5,868	995
Advances from other funds	3,500	-	-	3,500	-
General obligation bonds payable	143,885	827,885	43,872	1,015,642	-
Revenue bonds payable	-	2,399,490	-	2,399,490	385,525
Deferred bond premium, discount and refunding loss	2,212	7,462	1,768	11,442	-
Capital leases payable	3,185	-	-	3,185	-
State revolving loans payable	-	128,099	-	128,099	-
Landfill closure and post-closure care liability	-	-	79,559	79,559	-
Estimated claim settlements	-	-	-	-	63,541
Environmental remediation	351	32,157	4,433	36,941	-
Other liabilities	-	-	425	425	-
Total noncurrent liabilities	202,017	3,458,787	136,358	3,797,162	460,923
TOTAL LIABILITIES	303,587	3,845,008	167,926	4,316,521	592,472
NET ASSETS					
Invested in capital assets, net of related debt	962,595	407,161	205,944	1,575,700	(1,182)
Restricted for:					
Capital projects	10,068	-	-	10,068	218
Debt service	11,473	204,126	-	215,599	11,770
Regulatory assets and environmental liabilities	-	30,302	-	30,302	-
Other purposes	3,388	-	-	3,388	-
Unrestricted	467,119	(79,195)	14,336	402,260	81,832
TOTAL NET ASSETS	\$ 1,454,643	\$ 562,394	\$ 220,280	2,237,317	\$ 92,638
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				16,291	
Net assets of business-type activities				\$ 2,253,608	

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
(IN THOUSANDS)

	BUSINESS-TYPE ACTIVITIES				INTERNAL SERVICE FUNDS
	PUBLIC TRANSPOR- TATION	WATER QUALITY	OTHER ENTERPRISE FUNDS	TOTAL	
<b>OPERATING REVENUES</b>					
I-Net fees	\$ -	\$ -	\$ 2,820	\$ 2,820	\$ -
Radio services	-	-	3,741	3,741	-
Solid waste disposal charges	-	-	84,877	84,877	-
Airfield fees	-	-	3,481	3,481	-
Hangar, building, and site rentals and leases	-	-	13,835	13,835	-
Reimbursement for services to tenants	-	-	1,673	1,673	-
Passenger	194,148	-	-	194,148	-
Special service contracts	10,049	-	-	10,049	-
Sewage disposal fees	-	253,684	-	253,684	-
Other operating revenues	18,939	51,141	469	70,549	438,231
Total operating revenues	223,136	304,825	110,896	638,857	438,231
<b>OPERATING EXPENSES</b>					
Personal services	392,754	41,597	49,411	483,762	84,147
Materials and supplies	63,479	9,417	7,872	80,768	10,786
Contract services and other charges	23,065	14,711	26,731	64,507	287,285
Utilities	5,580	11,608	3,498	20,686	-
Purchased transportation	52,220	-	-	52,220	-
Internal services	52,621	26,349	13,895	92,865	22,807
Environmental related amortization	-	1,535	-	1,535	-
Depreciation and amortization	101,760	92,627	21,948	216,335	17,935
Total operating expenses	691,479	197,844	123,355	1,012,678	422,960
OPERATING INCOME (LOSS)	(468,343)	106,981	(12,459)	(373,821)	15,271
<b>NONOPERATING REVENUES</b>					
Sales tax	375,943	-	-	375,943	-
Property tax	22,174	-	-	22,174	-
Intergovernmental	57,514	-	-	57,514	37
Interest earnings	4,356	3,220	1,150	8,726	2,807
DNR administration	-	-	3,623	3,623	-
Rental income	-	-	1,355	1,355	-
Landfill closure and post-closure care	-	-	19,330	19,330	-
Other nonoperating revenues	142	828	2,354	3,324	-
Total nonoperating revenues	460,129	4,048	27,812	491,989	2,844
<b>NONOPERATING EXPENSES</b>					
Interest	3,447	81,099	2,311	86,857	19,675
DNR administration	-	-	3,343	3,343	-
(Gain) Loss on disposal of capital assets	5,192	10,171	1,419	16,782	(481)
Other nonoperating expenses	236	2,937	1,741	4,914	955
Total nonoperating expenses	8,875	94,207	8,814	111,896	20,149
Income (loss) before contributions and transfers	(17,089)	16,822	6,539	6,272	(2,034)
Capital grants and contributions	17,638	2,431	6,161	26,230	1,137
Transfers in	-	-	574	574	1,054
Transfers out	(10)	(632)	(1,565)	(2,207)	(2,217)
<b>CHANGE IN NET ASSETS</b>	539	18,621	11,709	30,869	(2,060)
NET ASSETS - JANUARY 1, 20010	1,454,104	543,773	208,571		94,698
NET ASSETS - DECEMBER 31, 2010	\$ 1,454,643	\$ 562,394	\$ 220,280		\$ 92,638
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				4,328	
Change in net assets of business-type activities				\$ 35,197	

The notes to the financial statements are an integral part of this statement.



**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
(IN THOUSANDS)  
(PAGE 1 OF 2)

	<b>BUSINESS-TYPE ACTIVITIES</b>				
	<b>PUBLIC TRANSPOR- TATION</b>	<b>WATER QUALITY</b>	<b>OTHER ENTERPRISE FUNDS</b>	<b>TOTAL</b>	<b>INTERNAL SERVICE FUNDS</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 214,048	\$ 308,538	\$ 108,311	\$ 630,897	\$ 451,044
Cash payments to suppliers for goods and services	(186,443)	(77,713)	(49,898)	(314,054)	(315,852)
Cash payments for employee services	(388,341)	(40,110)	(48,665)	(477,116)	(83,129)
Other receipts	-	-	5,742	5,742	1,226
Other payments	-	-	(4,611)	(4,611)	-
Net cash provided (used) by operating activities	(360,736)	190,715	10,879	(159,142)	53,289
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Operating grants and subsidies received	471,858	-	-	471,858	38
Interfund loan principal amounts loaned to other funds	(116,118)	-	-	(116,118)	-
Interfund loan principal repayments from other funds	131,480	-	-	131,480	-
Interest paid on short-term loans	-	(762)	-	(762)	-
Interfund loan principal borrowed from other funds	-	96,313	-	96,313	-
Interfund loan principal repayment amounts	-	(82,633)	-	(82,633)	-
Transfers in	-	-	574	574	1,054
Transfers out	(10)	(632)	(1,565)	(2,207)	(2,217)
Net cash provided (used) by noncapital financing activities	487,210	12,286	(991)	498,505	(1,125)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	(81,189)	(409,691)	(19,554)	(510,434)	(14,133)
Financing of environmental remediation	-	3,719	-	3,719	-
Proceeds from capital debt	27,573	436,909	-	464,482	-
Principal paid on capital debt	(8,354)	(78,625)	(4,915)	(91,894)	(6,585)
Interest paid on capital debt	(6,558)	(142,454)	(2,423)	(151,435)	(19,699)
Assessment principal, interest, and penalties received	400	-	-	400	(34)
Deferred Cost	-	18,666	-	18,666	-
Capital grants and contributions	29,853	2,431	7,691	39,975	196
Other capitalized payments	-	-	(3,324)	(3,324)	-
Proceeds from disposal of capital assets	559	-	665	1,224	889
Net cash used by capital and related financing activities	(37,716)	(169,045)	(21,860)	(228,621)	(39,366)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments (including unrealized gains/losses reported as cash and cash equivalents)	4,241	3,220	1,150	8,611	2,811
Proceeds from sales of investments	-	-	-	-	9,609
Net cash provided by investing activities	4,241	3,220	1,150	8,611	12,420
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	92,999	37,176	(10,822)	119,353	25,218
<b>CASH AND CASH EQUIVALENTS - JANUARY 1, 2010</b>	295,972	363,820	124,622	784,414	253,717
<b>CASH AND CASH EQUIVALENTS - DECEMBER 31, 2010</b>	<u>\$ 388,971</u>	<u>\$ 400,996</u>	<u>\$ 113,800</u>	<u>\$ 903,767</u>	<u>\$ 278,935</u>

The notes to the financial statements are an integral part of this statement.

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
(IN THOUSANDS)  
(PAGE 2 OF 2)

	BUSINESS-TYPE ACTIVITIES				INTERNAL SERVICE FUNDS
	PUBLIC TRANSPOR- TATION	WATER QUALITY	OTHER ENTERPRISE FUNDS	TOTAL	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (468,343)	\$ 106,981	\$ (12,459)	\$ (373,821)	\$ 15,271
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Depreciation and amortization	101,760	94,162	21,948	217,870	17,935
Other nonoperating revenue/expense	-	-	2,723	2,723	-
Changes in assets - (increase) decrease					
Accounts receivable, net	3,467	(1,860)	(2,108)	(501)	4,991
Due from other funds	285	(727)	156	(286)	263
Due from other governments, net	(5,935)	(9,550)	(392)	(15,877)	243
Inventory of supplies	(1,907)	(374)	(213)	(2,494)	236
Prepayments	404	75	-	479	2,979
Changes in liabilities - increase (decrease)					
Accounts payable	11,729	521	2,994	15,244	(3,436)
Due to other funds	66	(1,434)	212	(1,156)	(559)
Retainage payable	(153)	(14,416)	(41)	(14,610)	78
Rate stabilization	-	15,850	-	15,850	-
Wages payable	1,844	536	80	2,460	329
Taxes payable	92	-	(26)	66	(4)
Unearned revenues	(6,600)	-	-	(6,600)	1,434
Claims and judgments payable	-	-	-	-	2,237
Estimated claim settlements	-	-	-	-	10,396
Compensated absences	1,370	781	521	2,672	447
Other postemployment benefits	1,180	170	144	1,494	242
Customer deposits and other liabilities	5	-	(2,660)	(2,655)	207
Total adjustments	107,607	83,734	23,338	214,679	38,018
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (360,736)</b>	<b>\$ 190,715</b>	<b>\$ 10,879</b>	<b>\$ (159,142)</b>	<b>\$ 53,289</b>

**NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:**

Public Transportation received land from a government with a value of \$1,723 thousand and transferred land with a book value of \$4 thousand to the same entity. During 2010, the Enterprise transferred capital assets to other funds in the amount of \$236 thousand.

The King County International Airport issued capital bonds during 2010. The bond proceeds of \$5,691 thousand were placed in an escrow account with the purpose of defeasing \$5,280 thousand of outstanding bond principal.

The Stadium Fund transferred land to the General Government with a book value of \$473 thousand.

During 2010, Internal Service Funds received \$891 thousand of capital assets from other funds and transferred \$521 thousand of capital assets to other funds.

The Water Quality Fund issued capital bonds. The proceeds of \$39,289 thousand were placed in an escrow account for the defeasance of \$36,290 thousand of outstanding bond principal. In addition, the Enterprise received contributions of capital assets from the General Government in the amount of \$1,239 thousand.

**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2010**  
(IN THOUSANDS)

	<u>INVESTMENT TRUST FUNDS</u>	<u>AGENCY FUNDS</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 106,093
Assets held in trust - external investment pool	-	2,648,969
Assets held in trust - external impaired investment pool	-	9,994
Investments	2,658,454	2,790
Assets held in trust - individual investment accounts	-	891
Taxes receivable - delinquent	-	79,086
Accounts receivable	-	7,463
Interest receivable	1,400	-
Assessments receivable	-	7,086
Notes and contracts receivable	-	52
<b>TOTAL ASSETS</b>	<u>2,659,854</u>	<u>2,862,424</u>
<b>LIABILITIES</b>		
Warrants payable	-	73,149
Accounts payable	-	445
Wages payable	-	3,903
Custodial accounts - County agencies	-	51,741
Due to special districts/other governments	-	2,733,186
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>\$ 2,862,424</u>
<b>NET ASSETS</b>		
Held in trust for pool/individual investment account participants	<u>\$ 2,659,854</u>	

The notes to the financial statements are an integral part of this statement.



**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
(IN THOUSANDS)

	<b><u>INVESTMENT TRUST FUNDS</u></b>
<b>ADDITIONS</b>	
Contributions	\$ 8,417,320
Net investment earnings	
Interest	24,655
Increase in the fair value of investments	<u>58</u>
<b>TOTAL ADDITIONS</b>	8,442,033
<b>DEDUCTIONS</b>	
Distributions	<u>8,308,361</u>
Change in net assets	133,672
Net assets - January 1, 2010	<u>2,526,182</u>
Net assets - December 31, 2010	<u><u>\$ 2,659,854</u></u>

The notes to the financial statements are an integral part of this statement.

**STATEMENT OF NET ASSETS**  
**COMPONENT UNITS**  
**DECEMBER 31, 2010**  
(IN THOUSANDS)

	<b>Harborview Medical Center</b>	<b>WSMLB Stadium Public Facilities District</b>	<b>Cultural Development Authority</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 198,117	\$ 3,435	\$ 5,885	\$ 207,437
Investments	-	-	42,944	42,944
Receivables, net	128,115	3	832	128,950
Due from primary government	-	-	1,103	1,103
Inventories	8,234	-	-	8,234
Prepayments	1,956	13	-	1,969
Non-depreciable assets	17,272	38,424	-	55,696
Depreciable assets, net of depreciation	395,923	371,259	-	767,182
Deposits with other governments	600	-	-	600
Other assets	12,261	-	-	12,261
Total assets	<u>762,478</u>	<u>413,134</u>	<u>50,764</u>	<u>1,226,376</u>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	50,679	36	674	51,389
Accrued liabilities	34,552	-	-	34,552
Unearned revenues	230	-	5,997	6,227
Noncurrent liabilities				
Due within one year	1,366	3,271	451	5,088
Due in more than one year	22,169	32,770	1,904	56,843
Total liabilities	<u>108,996</u>	<u>36,077</u>	<u>9,026</u>	<u>154,099</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	408,341	373,642	-	781,983
Restricted for:				
Expendable	20,852	-	17,715	38,567
Nonexpendable	2,518	-	26,378	28,896
Unrestricted	221,771	3,415	(2,355)	222,831
Total net assets	<u>\$ 653,482</u>	<u>\$ 377,057</u>	<u>\$ 41,738</u>	<u>\$ 1,072,277</u>

The notes to the financial statements are an integral part of this statement.



**STATEMENT OF ACTIVITIES  
COMPONENT UNITS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(IN THOUSANDS)**

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Component units:				
Harborview Medical Center	\$ 720,823	\$ 696,146	\$ 7,180	\$ 5,661
WSMLB Stadium	15,107	4,123	-	974
Cultural Development Authority	9,657	85	11,140	-
Total component units	<u>\$ 745,587</u>	<u>\$ 700,354</u>	<u>\$ 18,320</u>	<u>\$ 6,635</u>
General revenues				
Interest earnings				
Change in net assets				
Net assets - January 1, 2010 (Restated - see Note 17)				
Net assets - December 31, 2010				

The notes to the financial statements are an integral part of this statement.

<b>Net (Expense) Revenue and Changes in Net Assets</b>			
<b>Harborview Medical Center</b>	<b>WSMLB Stadium Public Facilities District</b>	<b>Cultural Development Authority</b>	<b>Total</b>
\$ (11,836)	\$ -	\$ -	\$ (11,836)
-	(10,010)	-	(10,010)
-	-	1,568	1,568
(11,836)	(10,010)	1,568	(20,278)
3,796	40	1,734	5,570
(8,040)	(9,970)	3,302	(14,708)
661,522	387,027	38,436	1,086,985
<u>\$ 653,482</u>	<u>\$ 377,057</u>	<u>\$ 41,738</u>	<u>\$ 1,072,277</u>

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**Notes to the Financial Statements**

For the Year Ended December 31, 2010

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